



THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF CONSUMER AFFAIRS AND BUSINESS REGULATION

**DEPARTMENT OF
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May 31, 2002

William S. Stowe, Assistant General Counsel
Boston Edison Company d/b/a NSTAR Electric
800 Boylston Street
Boston, Massachusetts 02199

RE: Boston Edison Company, EC 02-06 (Amendment to Electric Power Supply Agreement
between Boston Edison Company and Massachusetts Water Resources Authority)

BY FAX AND U.S. MAIL

Dear Mr. Stowe:

On May 7, 2002, Boston Edison Company ("BECo" or "Company"), pursuant to G.L. c. 164, § 94, filed a request for Department approval of an amendment ("Amendment") to an Electric Power Supply Agreement between BECo and the Massachusetts Water Resources Authority ("MWRA") ("Power Agreement").¹ The Amendment proposes to eliminate restrictions with respect to MWRA's purchase of electricity from entities other than BECo, and with respect to MWRA's use of its own generation facilities (Amendment at 2). The Amendment also incorporates by reference a settlement that relates to the determination of Rate WR and MWRA's transition charge by BECo, MWRA and the Attorney General on

¹ The Power Agreement was approved in Harbor Electric Company and Boston Edison Company, D.P.U. 90-288 (1991). The Power Agreement included a tariffed Rate WR, which provides service solely to MWRA. The Power Agreement was "approved in accordance with the Department's authority under G.L. c. 164, § 94, ¶ 3, although [the Power Agreement and Rate WR] partake of mixed characteristics of a customer-specific contract and a tariffed rate." Boston Edison Company, D.P.U./D.T.E. 96-23, at 33, n. 20 (1998).

May 7, 2002 ("Settlement") approved in Boston Edison Company, D.T.E. 01-108-A (2002) (Amendment at 3). The Power Agreement and other evidence supporting Rate WR are part of the record in D.T.E. 01-108-A, and are hereby incorporated by reference in this proceeding. 220 C.M.R. § 1.10(3).

The Settlement required that the Power Agreement be amended (Amendment at 2). The Settlement states that although the Amendment is not part of the Settlement, approval of the Amendment is a condition of the Settlement and, conversely, approval of the Settlement is a condition of the Amendment (Settlement at 10). The Settlement also states that the Attorney General "takes no position on the propriety of the [Amendment], and his participation in the [Settlement] should not be interpreted as consent to the [Amendment]" (id.).

In Boston Edison Company, D.T.E. 01-108-A at 11 (2002), the Department found that the Settlement substantially complied with the Electric Industry Restructuring Act, Chapter 164 of the Acts of 1997, and the Company's Restructuring Settlement approved in D.P.U./D.T.E. 96-23, and was consistent with Department precedent and the public interest. The Amendment is consistent with the Settlement. Therefore, we approve the Amendment.

By Order of the Department,

Paul B. Vasington, Chairman

James Connelly, Commissioner

W. Robert Keating, Commissioner

Eugene J. Sullivan, Jr., Commissioner

Deirdre K. Manning, Commissioner

cc: Mary Cottrell
Staff as assigned
D.T.E. 01-108 Service List
D.T.E. 01-108 Docket